



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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J. TYLER McCAULEY  
AUDITOR-CONTROLLER

September 24, 2004

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley  
Auditor-Controller 

**SUBJECT: AVIVA FAMILY AND CHILDREN'S SERVICES CONTRACT REVIEW**

We have completed a contract compliance review of Aviva Family and Children's Services (Aviva or Agency), a Department of Mental Health (DMH) service provider. It included a review of the Agency's billings to DMH for December 2003 and January 2004. This review is part of the Auditor-Controller's Centralized Contract Monitoring Pilot Project.

**Background**

The Department of Mental Health (DMH) contracts with Aviva, a private, non-profit, community-based organization, which provides services countywide to children and their parent(s). Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan. Our review focused on the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) service, which is Medi-Cal's comprehensive and preventive child health program for individuals under the age of 21. At Aviva, the EPSDT billable services include Mental Health Services, Medication Support Services, Therapeutic Behavioral Services, Case Management (Brokerage), Day Rehabilitation, and Crisis Intervention. Aviva has service delivery sites located in the First, Second, and Third Supervisory Districts. Its headquarters is located in the Third District.

For our review period, DMH paid Aviva \$100.90 for each day that a client participated in its Day Rehabilitation program. DMH also paid between \$1.41 and \$3.45 per minute of staff time (\$84.60 and \$207.00 per hour) for other services. For Fiscal Year 2003-04, DMH paid Aviva approximately \$5 million in EPSDT funds.

*"To Enrich Lives Through Effective and Caring Service"*

### **Purpose/Methodology**

The purpose of the review was to determine whether Aviva was providing the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service and staffing levels. Our monitoring visit included a review of a sample of Aviva's billings, participant files, and personnel and payroll records. We also interviewed staff from Aviva and interviewed a sample of the participants' parents, legal guardians, social workers or probation officers.

### **Results of Review**

Overall, Aviva is providing the services outlined in the County Contract. Aviva used qualified staff to perform the services, and the participants' parents, legal guardians, social workers or probation officers interviewed stated the program services met their expectations. We also determined that participants were eligible to receive services.

However, for 320 (4%) of the 7,638 minutes sampled, Aviva over billed DMH. In addition, for 300 (4%) of the 7,638 minutes sampled, Aviva billed DMH at a rate higher than the contract allows. The amount that Aviva inappropriately billed DMH totaled \$730. Aviva subsequently submitted correcting adjustments to DMH for the inappropriate billings.

In addition, Aviva did not maintain sufficient documentation for 1,894 (25%) minutes of the 7,638 minutes sampled to support the provision of services billed to DMH. For example, 975 minutes were for time spent by multiple Aviva staff providing services concurrently to one client. However, the supporting documentation did not describe the specific contribution of each staff claiming service, as required. The amount of services that Aviva did not sufficiently document totaled \$3,620.

We recommend that Aviva management strengthen its documentation controls to ensure that it can support all the services billed to DMH and meet the contract requirements. We have attached the details of our contract compliance review, along with recommendations for corrective action.

### **Review of Report**

On July 27, 2004, we discussed the results of our review with Aviva. In their attached response, Aviva disagreed with some of our findings and provided explanations to support their disagreement. However, the explanations cited in their response were similar to the explanations that they provided at the exit meeting held on July 27, 2004. At the meeting, we explained to Aviva why their comments did not justify changing our findings and provided Aviva with the specific sections of the County contract that supported our findings.

Aviva also claimed that DMH did not enforce certain contract requirements and that we were holding them to a higher standard that significantly differs from existing practices.

However, the standards that we used are based on the requirements contained in the County contract which DMH also agreed should be followed. To ensure its compliance with the contract, Aviva management should submit a corrective plan of action to DMH within 30 days, as required by the contract.

We thank Aviva management for their assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Department of Mental Health  
Dr. Marvin J. Southard, Director  
Susan Kerr, Chief Deputy Director  
John Hatakeyama, Deputy Director, Children's System of Care  
Andrew Diamond, President/CEO, Aviva  
Violet Varona-Lukens, Executive Officer  
Public Information Office  
Audit Committee

**CENTRALIZED CONTRACT MONITORING PILOT PROJECT  
EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT SERVICE  
FISCAL YEAR 2003-2004  
AVIVA FAMILY AND CHILDREN'S SERVICES**

**BILLED SERVICES**

**Objective**

Determine whether Aviva provided the services billed in accordance with their contract with DMH.

**Verification**

We sampled 7,638 service minutes from 321,885 service minutes that Aviva billed DMH for December 2003 and January 2004. We also sampled 10 service days from 1,891 service days billed by Aviva during the same period, and reviewed the participant files for documentation to support the services billed.

**Results**

For 320 (4%) minutes of the 7,638 minutes sampled, Aviva over billed DMH. Specifically, we noted the following:

- For two billings totaling 190 minutes, Aviva billed DMH twice for the same minutes.
- For 85 minutes, Aviva billed DMH for staff time spent traveling in which the staff did not link the traveling with a direct service provided to a participant, which is not allowed by the County contract.
- For 45 minutes, Aviva billed DMH for Therapeutic Behavioral Services. However, Aviva did not provide documentation to support that it provided the services.

In addition, for 300 (4%) minutes of the 7,638 minutes sampled, Aviva billed DMH using a higher rate than allowed by the County contract. Aviva provided 300 minutes of Case Management Services with a reimbursement rate of \$1.41 per minute, but billed DMH using the higher Mental Health Services rate of \$1.86 per minute. The amount that Aviva inappropriately billed DMH totaled \$730.

We notified Aviva of the unsupported billings on March 8, 2004. That same day, Aviva prepared a correcting adjustment for 235 minutes in over billings. Aviva management indicated that the over billings were due to data input errors. On August 4, 2004, Aviva provided us with a copy of the correcting adjustment for the remaining over billed amounts.

Aviva also did not maintain sufficient documentation for 1,894 minutes billed to DMH. The amount of services that Aviva did not sufficiently document totaled \$3,620. Specifically, we noted the following:

- For 975 minutes, Aviva billed DMH for services provided by multiple staff concurrently to one client. However, the supporting documentation did not describe the specific contribution of each staff claiming service, as required by the contract.
- For 695 minutes billed, the progress note does not describe what was attempted and/or accomplished by the client or service staff, as required by the County contract.
- For 150 minutes billed for Medication Support services provided to one client, the Agency did not maintain Court authorization to administer psychotropic medication, as required by the contract.

Aviva management indicated that it requested a copy of the Court Authorization for Medication from Juvenile Hall but Juvenile Hall “refused” to provide it. We contacted Juvenile Hall, using the telephone number provided by Aviva management, and Juvenile Hall staff referred us to the DMH unit at the facility. According to staff at the Juvenile Hall DMH Unit, it would provide the Court Authorization for Medication to the receiving agency upon request.

- For 140 minutes billed for Medication Support services provided to one client, the Agency did not maintain an informed consent form signed by the parent, as required by the contract when administering anti-psychotic medication. After we informed the Agency of this issue, it obtained a copy of the informed consent form from the transferring agency.

It should be note that the total minutes listed in the above examples exceeded 1,894 minutes because some of the support that Aviva provided for the minutes billed had more than one deficiency.

### **Recommendations**

- 1. Aviva management maintain sufficient documentation to support its billings.**
- 2. Aviva management ensure that it maintains a copy of the current Court Authorization or informed consent form to administer medication for all applicable clients.**

## **CLIENT VERIFICATION**

### **Objectives**

Determine whether the program participants actually received the services that Aviva billed DMH and whether participants were eligible to receive services.

### **Verification**

We sampled 10 program participants and interviewed their parent, legal guardian, social worker or probation officer to confirm that the participants are clients of Aviva and that they received the services that the Agency billed DMH. We also reviewed documentation in the participant files to determine whether participants were eligible to receive services.

### **Results**

Each parent, guardian, social worker or probation officer we contacted indicated that his or her child was a client of Aviva. Documentation in the case file supports the participants' eligibility. In addition, the individuals we contacted stated they were satisfied with the services that Aviva provided their child.

### **Recommendations**

There are no recommendations for this section.

## **STAFFING LEVELS**

### **Objective**

Determine whether ratio requirements are consistent with the ratio requirements indicated in the County contract. Contractors are required to maintain a 1:12 ratio of the number of Qualified Mental Health Professional (QMHP) staff to the total number of clients in its Day Rehabilitation Program. Persons who are not solely used to provide Day Rehabilitation services shall not be included as part of the ratio calculation.

### **Verification**

We selected 10 days that Aviva billed DMH for the Day Rehabilitation Program and reviewed the staff schedule, logs, participant files, and staff timecards for December 2003 and January 2004.

**Results**

We verified that Aviva maintained the required staffing ratio in its Day Rehabilitation program.

**Recommendations**

There are no recommendations for this section.

**STAFFING QUALIFICATIONS****Objective**

Determine whether Aviva's staff meets the qualifications required by the DMH contract.

**Verification**

We selected 10 Aviva treatment staff and reviewed each staff's personnel file for documentation confirming their qualifications. In addition, we reviewed the qualifications of each staff person that performed the service in our sample of billed services.

**Results**

Each staff sampled possessed the required education, work experience, and licensure identified in DMH's contract.

**Recommendations**

There are no recommendations for this section.

**SERVICE LEVELS****Objective**

Determine whether Aviva's reported services for July 2003 through January 2004 (FY 2003-04) did not significantly vary from planned service level of \$3.4 million.

**Verification**

We obtained a report of EPSDT billings from the State Explanation of Benefits report for July 2003 through January 2004 (FY 2003-04) and compared it with Aviva's planned level of service identified in the contract for the same period.

**Results**

During the first seven months of FY 2003-04, Aviva's operated within its overall targeted service level of \$3.4 million. However, the actual service levels varied significantly from planned service levels for specific types of services provided by the Agency. For example, Aviva provided 74% (\$350,000) less Therapeutic Behavioral Services than planned. During the same timeframe, the Agency exceeded the planned Mental Health Service levels by 67% (\$740,000). However, Aviva did not obtain written approval from DMH's Director before making deviations from the planned services described in the contract, as required.

**Recommendation**

3. **Aviva management submit a written request to DMH's Director and obtain written approval before deviating from the planned services described in the contract.**





# Aviva Family and Children's Services

*Incorporated as Hamburger Home, Founded 1915*

September 6, 2004

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Lauren Leichtman  
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Mr. J. Tyler McCauley  
Los Angeles County Auditor Controller  
500 West Temple, Room 525  
Los Angeles CA 90012

Dear Mr. McCauley

Re: Response to audit-controller's Contract Review

We were pleased that the auditor controller found that we were providing services outlined in the County Contract, that we used qualified staff to perform the services, and that the parents, legal guardians, social workers or probation officers interviewed stated that the program services met their expectations.

We would like to thank the auditor controller for their positive attitude and direct response to our questions. While we found the auditing process very useful, we do have some comments and concerns, and wish to respond to the findings.

At a meeting following our exit interview we were advised by the auditor controller's staff that our audit was "excellent." We believe that it was. However the format and the conclusions that are stated present an inaccurate picture, at times focusing on insignificant minutia unrelated to quality or actual delivery of services. We believe the audit report could leave a misleading summary of an agency's good work, and also at times ignores the reality of the larger systems within which we all work.

## A) Response to the Summary letter

### **Auditor-Controller**

On page 2 of the Auditor Controller's summary letter, the report reads that 320 (4%) minutes of the 7,638 minutes sample, Aviva over-billed DMH. In addition, for 300 (4%) of the 7,638 minutes sample, Aviva billed DMH at a rate higher than the contract allows. Aviva subsequently submitted correcting adjustments to DMH for the inappropriate billings.



**ACCREDITED**  
Council on Accreditation  
for Children and Family Services

Member of Association of Community Human Services Agencies • California Alliance of Child and Family Services •  
California Association of Private Specialized Education & Services • United Way • Jewish Federation Council



### **Aviva Response**

As part of our regular review, prior to the audit of March 8, 2004, Aviva requested deletions from DMH of 190 minutes of billings and 45 minutes of billings. The request for these deletions was given to the auditors upon their request for verification. It is our belief that these minutes should not have been included in the over billings of the 320 (4%) minutes. Instead, only 85 minutes (or 1%) of the minutes should have been considered as over billings, and it were these billings that were subsequently submitted for correcting adjustments to DMH for appropriate billings. Aviva did mistakenly bill under "Mental Health Services" rather than "Case Management Services." This was a coding error.

### **Auditor-Controller**

The report further reads that Aviva did not maintain sufficient documentation for 1894 (25%) minutes of the 7638 minutes sampled to support the provision of services billed to DMH. For example, 975 minutes were for time spent by multiple Aviva staff providing services concurrently to one client. However, each staff did not identify in the client's progress notes the services he/she provided.

### **Aviva Response**

The progress notes clearly indicate that multiple staff were present and that the services were necessary and delivered. In the past, the State or County DMH had not enforced that there be specific notations when multiple staff is involved. The need for multiple staff is generally very clear in the note. In addition, at the time of the audit, the auditors requested to see the Agency's policy regarding the need for multiple staff and they appeared to be satisfied with the policy. We believe that every agency that the auditor controller has audited was similarly cited. Since this is a pilot audit, we respectfully suggest that the auditor controller should have realized that this is not a deficiency on the part of an agency, but an easily correctable training issue. We will address our response to the balance of the 1894 minutes in the next section, as we are responding sequentially to the auditor controller's Summary letter and audit report

**B) Response to the Audit Report**

**BILLED SERVICES**

**RESULTS**

The Auditor-Controller's report enumerates a break down of the results of "over-billings". It is important to more closely examine this breakdown:

**Auditor-Controller**

For 320 (4%) minutes of the 7,638 minutes samples, Aviva over billed DMH. Specifically, we noted the following:

- For 190 minutes, Aviva billed twice for the same minutes. On March 8, 2004, we notified Aviva of the over-billings. Aviva management stated that a data entry error caused it to bill the same minutes twice. Aviva management stated that monthly reconciliations are performed to detect instances in which the number of hours reported on each month's billings do not reconcile to the source documents.
- For 45 minutes, Aviva billed DMH for Therapeutic Services. However, Aviva did not provide documentation to support that it provided the services.

**Aviva Response**

**190 minutes over billing and 45 minutes over billing**

We have already responded to this above as this is repeated from the Summary Letter.

**Audit-Controller**

In addition, for 300 (4%) minutes of the 7,638 minutes sample, Aviva billed DMH using a higher rate than allowed by the County contract. Aviva provided 300 minutes of Case Management Services with a reimbursement rate of \$1.41 per minute, but billed DMH using the higher Mental Health Services rate of \$1.86 per minute.

**Aviva Response**

300 minutes over billing

We have already responded to this above as this is repeated from the Summary Letter.

**Auditor-Controller**

Aviva also did not maintain sufficient documentation for 1,894 minutes billed to DMH. The amount of services that Aviva did not sufficiently document totaled \$3,620. Specifically we noted the following:

- For 975 minutes, Aviva billed DMH for services provided by multiple staff concurrently to one client. However, the client's progress notes did not identify the services rendered by each staff person.

**Aviva Response**

- 975 minutes insufficient documentation

We have already responded to this above as this is repeated from the Summary Letter.

**Auditor-Controller**

- For 695 minutes billed, the progress note does not describe what was attempted and/or accomplished by the client or service staff, as required by the County contract.

**Aviva Response**

- 695 minutes insufficient documentation

This is another case where the service was delivered; however, a clearer clarification as to what is an acceptable note is important. This can be accomplished through collaboration and further training between DMH and all providers as to the content and consistency of the process notes. It is important to note that there is a difference between a note that may be inadequate, and a conclusion which may be inferred, that a service may not have been provided.

**Auditor Controller**

- For 150 minutes billed for Medication Support services provided to one client, the Agency did not maintain Court authorization to administer psychotropic medications, as required by the contract.

**Aviva's Response**

- 150 minutes billed for Medication Support

This was a situation where a girl was admitted to the program from Juvenile Hall with medication prescribed there. As we stated in each meeting and telephone conversations with the auditor-controller, we attempted to obtain this authorization from Juvenile Hall. Obtaining pre-existing court authorizations directly from Juvenile Hall is difficult at best for all providers. The auditor controller did advise us of a method of working with the DMH office at Juvenile Hall to facilitate obtaining such documentation. We will follow this advice and assume that in the future it will work. However, the report should have noted that we did attempt to obtain this authorization and at no time did we change or prescribe medication without court authorization. In our opinion, this citing indicates an unreasonable and rigid approach to the audit.

**Auditor-Controller**

- For 140 minutes billed for Medication Support services provided to one client, the Agency did not maintain an informed consent form signed by the parent, as required by the contract when administering anti-psychotic medication. After we informed the Agency of this issue, it obtained a copy of the informed consent form from the transferring agency.

**Aviva Response**

- 140 minutes billed for Medication Support

This was a case again where a child came from another agency with an active prescription and was maintained on it briefly. It is important to note again that at no time did we change or prescribe medication without court authorization. As noted, we did subsequently provide the documentation that the informed consent was appropriately documented by the referring agency.

## **RECOMMENDATIONS**

### **Auditor Controller:**

1. Aviva management maintain sufficient documentation to support its billings.
2. Aviva ensure that it maintains a copy of the current Court Authorization or Informed consent form to administer medication for all applicable clients.

### **Aviva Response:**

1. Aviva has a system in place to review adequacy of the documentation. We also are eager to work with DMH on the state and county level to follow its expectations. In addition, Aviva expects differentiation by auditors for billings that have been appropriately deleted per protocol from over billings that may not have been corrected.
2. Aviva works very cooperatively with the Juvenile court and consistently follows ALL protocol around the very serious issue of administration of psychotropic medication. We will continue to operate in that manner. We will document in the case record when we have been unsuccessful in obtaining these authorizations from prior placing agencies.

## **SERVICE LEVELS**

## **RESULTS**

### **Auditor-Controller**

During the first seven months of FY 2003-04, Aviva's operated within its overall targeted service level of \$3.4 million. However, the actual service levels varied significantly from planned service levels for specific types of services provided by the Agency. For example, Aviva provided 74% (\$350,000) less Therapeutic Behavioral services than planned. During the same timeframe, the Agency exceeded the planned Mental Health Services levels by 67% (\$740,000). However, Aviva did not obtain written approval from DMH's Director before making deviations from the planned services described in the contract, as required.

### **Aviva Response**

We are certain that this would be a finding in almost every agency because the auditor controller is holding agencies to a standard that generally differs significantly from existing practice. We advised the auditor controller that DMH has been flexible in having service follow need, and that letters have not been required of any service deviation as long as that deviation did not exceed the established contract maximum amounts. Unfortunately, the audit report is silent on this fact. We will of course request such letters in the future. In addition, as part of our ongoing communication we had verbally communicating these issues on a regular basis to DMH District Chief, Elaine Lomas. Such communication should have been evident to the auditor controller since we produced a letter dated January 12, 2004 that authorized additional EPSDT funding. Such a letter could not have resulted from a lack of knowledge by DMH of our service levels. We commend DMH for keeping agencies to their maximum amounts, but allowing flexibility based upon client needs.

### **RECOMMENDATIONS**

#### **Auditor-Controller**

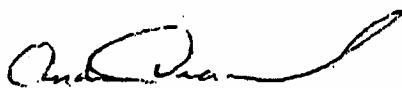
3. Aviva management submit a written request to DMH's Director and obtain written approval before deviating from the planned services described in the contract.

#### **Aviva Response**

3. In a change from current practice among agencies and DMH, Aviva will henceforth coordinate with DMH to submit requested approvals when deviating from the planned services described in the contract to DMH's Director.

In summary, while we question some of the findings and conclusions by the auditor controller, we did find this pilot project to be helpful in preparing us for future audits. In addition, we wish to thank the auditor controller for their open and direct communication during and subsequent to the audit.

Sincerely,



Andrew Diamond, LCSW  
President/CEO